SUPERIOR COURT

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No : 500-17-040674-080

DATE : 2008 AVR. 1 8

PRESIDING : ME ODETTE CORDEAU
Greffière spéciale

MITEC TELECOM INC.,

Plaintiff

v.

BIP CORPORATION,

Defendant

and.

EXPORT DEVELOPMENT CANADA,

Mis-en-cause

JUDGMENT

[1] **THE COURT** after review of the proceeding, exhibits and the detailed affidavit;

[2] **WHEREAS** on July 25, 2006, the Plaintiff, Mitec Telecom Inc. (hereinafter "**Mitec**") and the Defendant, BIP Corporation (hereinafter "**BIP**") entered into a Bill and Hold Agreement (hereafter the "**Agreement**") pursuant to which inventory was purchased by BIP from Mitec and was stored in a warehouse segregated from Mitec's Pointe-Claire facility;

EXHIBIT "I"

[3] **WHEREAS** from May 30, 2006 to July 27, 2007, BIP placed several purchase orders and instructed Mitec to deliver certain inventory to its location in California, totaling an amount of US$488,050.52;

[4] **WHEREAS** BIP neglects, omits and/or refuses to pay Mitec the amount of US$488,050.52 which is due for the above-mentioned inventory sold;

[5] **WHEREAS** as of the date of the proceedings, the US dollar exchange rate is 1.0211 for one Canadian dollar;

[6] **WHEREAS** Mitec's claim amounts to Can$498,348.39;

[7] **WHEREAS** on May 1, 2007, Mitec purchased insurance from the Mise-en-cause, EDC, which provides coverage for accounts receivable for foreign buyers such as BIP;

[8] **WHEREAS**, in light of BIP's refusal to honor its obligations towards Mitec and to pay the invoiced amount of US$488,050.52, the latter submitted to EDC a claim payment application for the same amount, which represents its net loss;

[9] **WHEREAS** on December 11, 2007, alleging the outstanding amount of US$488,050.52 is disputed, EDC refused to assume liability for the claim;

[10] **WHEREAS** pursuant to the Agreement, any legal proceedings must be instituted in the judicial district of Montreal and shall be governed and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada therein applicable;

[11] **CONSIDERING** all the exhibits and the detailed affidavit filed into the Court record;

[12] **CONSIDERING** that Mitec has established that it is well founded to claim from BIP the amount of Can$498,348.39;

[13] **FOR THESE REASONS, THE COURT:**

[14] **DECLARES** the validity of Mitec Telecom Inc.'s claim of Can$498,348.39 against the BIP Corporation;

[15] **CONDEMNS** the BIP Corporation to pay to Mitec Telecom Inc. the amount of Can$498,348.39 plus interest and additional indemnity provided by Article 1619 of the *Civil Code of Québec* as of December 4, 2007, date of the service of the demand letter;

[16] **THE WHOLE** with costs.

(S) Me Odette Cordeau

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